

# PUBLIC EMPLOYEES' RETIREMENT FUND INDIANA

## MEMBER UPDATE JANUARY 2003

### MESSAGE FROM THE ACTING EXECUTIVE DIRECTOR

**FRED BIESECKER**

*"The Board is committed to reducing the time it takes to get initial benefit checks to new retirees."*

The last few months have been challenging for PERF. In August, PERF's Chief Benefits Officer, W. Kevin Scott, resigned after it was learned that he had given PERF the Social Security Number of another Kevin Scott in order to conceal a 1996 identity theft conviction. On September 28, PERF Executive Director E. William Butler resigned. The following week, I was named Acting Executive Director. Before coming to the Fund, I had served as Counsel to Governor O'Bannon from January 1997 through July 2001.

W. Kevin Scott is now in federal custody, charged with misusing the Social Security Number of the other Kevin Scott to get the job with PERF, and also with stealing a large sum of money from his previous employer – Cook, Inc. The investigation is continuing, but it is important for you to understand that this regrettable incident will have no effect on your retirement benefits.

This newsletter contains an insert on steps you can take to protect yourself against identity theft, which is one of the fastest growing crimes in America. I urge you to pay special attention to this piece and to follow its recommendations. To help protect against identity theft, PERF will soon include only the last four digits of the member's Social Security Number on quarterly statements, benefit checks and direct deposit notices it sends to members.

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There are two new members of the PERF Board of Trustees – Garland Ferrell, a former Deputy State Budget Director, and Connie Thurman, an official with the United Auto Workers. For more information on the Fund's new trustees, please see the back page of the newsletter.

The Board is committed to reducing the time it takes to get initial benefit checks to new retirees. We do have a substantial backlog of retirement applications, but we have recently hired a new Chief Benefits Officer and are in the process of hiring at least four new retirement counselors. In addition, we have reassigned employees from other departments and assembled special teams to work on the backlog of retirement applications. This is our highest priority.

On the investment side, this has been a difficult year for the equity markets, but PERF continues to perform well compared to other public pension funds and industry benchmarks. A recent national survey ranked PERF's fiscal year 2002 investment performance 16<sup>th</sup> out of 73 public pension funds surveyed.

Since our call center opened in May, we have received more than 50,000 calls, with a 97% answer rate and an average answer speed of 30 seconds. Although this is a good start, we recognize that we must continually improve customer service to our members and their employers. We are also revising our member handbook and web site to make them easier to understand and more user-friendly.

## SPECIAL NOTICE ON IDENTITY THEFT

*See Insert*

## BENEFITS BACKLOG

PERF has experienced retirement processing backlogs that have delayed initial benefit checks as long as five months. As of now, new retirees should expect to receive their first retirement check approximately 90 to 120 days after the effective date of their retirement, assuming PERF has received their complete retirement application on or before the retirement date.

The PERF Board has identified this as a priority and is committed to decreasing the period of time our members wait for their first check. We have made progress in reducing the backlog, and our immediate goal is to have all retirees receive their first benefit check within 60 days of their effective retirement date.

### *Efforts to Fix the Problem*

The Fund has identified a number of steps to take in order to resolve the backlog:

- Hired a new Chief Benefits Officer (see box below);
- Hire additional staff in the following areas to meet the demands of a growing retirement population:
  1. Retirement Counselors
  2. Active Member Counselors
  3. Accountants
  4. Converting Temporary Positions to Full-Time
- Create operational teams to address specific problems;
- Work overtime and weekends;
- Cross-train staff in other areas to assist in:
  1. Retirement Counseling
  2. Retirement Applications Processing
  3. Retirement Estimates Processing
- Continue current practice of processing and mailing special checks for retirements completed after the monthly payroll cutoff date.

## PERF HIRES NEW CHIEF BENEFITS OFFICER

The Fund is pleased to announce the hiring of Bruce Kimery as the new Chief Benefits Officer. Mr. Kimery came to PERF from the Department of Workforce Development, where he served for 12 years as Chief Financial Officer and one year as Interim Executive Director. Prior to his tenure in state government, he served 23 years in the United States Army and ended his military career as Deputy Director, Department of the Army Financial Operations, at the U.S. Army Finance Center.

Bruce is married with three children.

The Chief Benefits Officer is responsible for the day-to-day oversight of the benefits administration division, which includes among other functions: retirement and refund application processing, retirement counseling, and inception of new members.

## Cost of Living Adjustment (COLA) Announcement

Earlier this year, the Indiana General Assembly enacted a Cost of Living Adjustment (COLA) for retired and disabled members, as well as survivors of members who are receiving a monthly benefit. The law gives a COLA to members of the Public Employees' Retirement Fund who have been retired or disabled (from PERF) for at least one year on January 1, 2003.

As authorized by the COLA legislation, the Public Employees' Retirement Fund will make this adjustment on January 1, 2003 to retirees' monthly benefit checks. They will see this adjustment for the first time on the January 15, 2003 benefit check/direct deposit. The increase will be as follows:

Members who have been retired or disabled for at least one (1) year as of January 1, 2003, will be awarded a COLA equal to 1.4% of their monthly **pension** amount.

**EXAMPLE:** If you normally receive a monthly benefit of \$350 that consists of \$50 in monthly payment of your Annuity Savings Account, and a pension portion of \$300, your COLA would be calculated based on the \$300 pension portion of your monthly benefit.

Specifically, the COLA would be calculated as follows:  
 $\$300 \times 0.014 = \$4.20$ . Effective January 1, 2003, your new monthly benefit payment will be \$354.20.

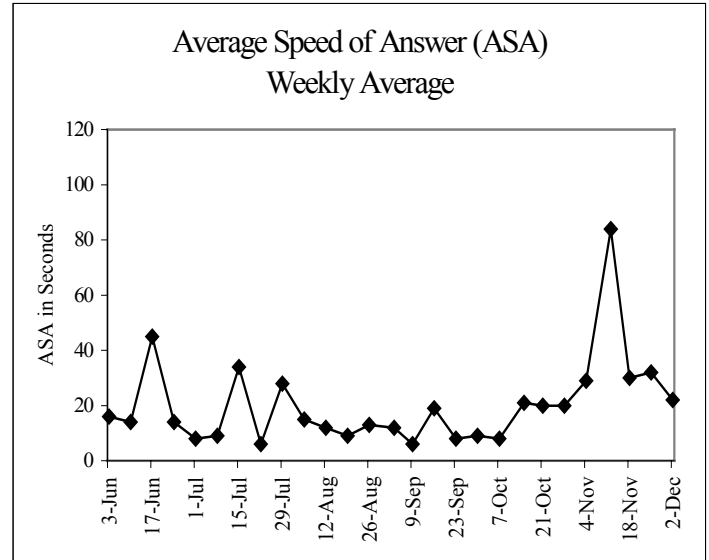
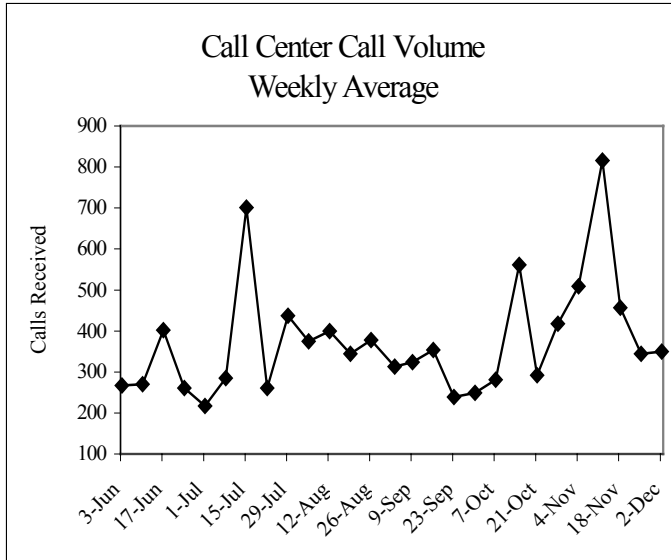
## New Annual Report On-Line

The Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2002 is now available on-line at [www.perf.in.gov](http://www.perf.in.gov). The annual report is the most comprehensive summary of the Fund's activities over the most recent fiscal year that includes:

- The Fund's financial statements
- Actuarial Analysis
- Summary of Investment Activity
- Statistical Analysis

# CALL CENTER FOCUSES ON AVAILABILITY

The primary goal of the Call Center was to be more accessible to our members. While the journey to quality customer service is never-ending, we are striving to respond to our members' inquiries as quickly as possible. Below is a graph which depicts our call volume as well as our average speed of answer (ASA). ASA is a measurement which affects each caller that attempts to contact PERF; it measures how long a caller is on hold before his/her call is answered by a customer service professional.



We have been able to successfully answer 78% of our calls within 25 seconds, with an overall average wait time of 30 seconds. You might notice our call volume tends to increase dramatically when monthly benefits are processed (15<sup>th</sup> of each month) and quarterly member statements are generated.

Since we began measuring our performance on July 1<sup>st</sup>, we have answered 97% of the calls offered to us, which number more than 50,000 calls. We track each and every call we receive, which helps us provide feedback to other functional areas within PERF to ultimately implement changes and improvements to better serve our members.

Our customer service professionals are doing an excellent job and have been complimented by members and employers on a regular basis. Here are some of the positive things we've heard:

*"I want to commend the excellent job you did when advising me on filling out my disability retirement application. Your knowledge, helpfulness and pleasantness went above and beyond. You give government employees a good name."*

*"Just a quick note to thank you for your assistance last Friday in finding my lost check. I so much appreciated your patience and understanding of the situation. I actually received the check today, which was also quite amazing, and I didn't expect it until Tuesday or Wednesday."*

Our ultimate goal in the call center is to provide world class customer service. We have begun our journey, but have a long way to go and a lot of work to do. We will continue to fulfill our role as "member advocates" and hope that, through time, each member will have the opportunity to witness our level of service and commitment first hand.

## TOP TEN CALL TYPES

*As of December 10, 2002*

| Inquiry                | % of Total |
|------------------------|------------|
| Refund Information     | 18.7 %     |
| Retirement Information | 16.2 %     |
| Change of Address      | 7.6 %      |
| Internal Transfer      | 6.8 %      |
| Receipt of Check       | 6.4 %      |
| Direct Deposit         | 5.7 %      |
| 13 <sup>th</sup> Check | 3.5 %      |
| Death Notification     | 3.4 %      |
| Investments            | 3.2 %      |
| Annuity Balance        | 2.9 %      |

**74.4 %**

HARRISON BUILDING  
143 WEST MARKET STREET  
INDIANAPOLIS, INDIANA 46204

1-888-526-1687 TOLL-FREE  
(317) 233-4160 HEARING IMPAIRED

**WWW.PERF.IN.GOV**

## PUBLIC EMPLOYEES' RETIREMENT FUND INDIANA

### PERF Welcomes Two New Trustees

#### BOARD OF TRUSTEES

JONATHAN BIRGE  
Chair

RICHARD T. DOERMER  
Vice Chair

GARLAND FERRELL  
Trustee

CONNIE THURMAN  
Trustee

NANCY K. TURNER  
Trustee



#### GARLAND FERRELL

Garland Ferrell was appointed to the PERF Board of Trustees in September 2002 by Governor Frank O'Bannon. Mr. Ferrell began a 38-year career with the State of Indiana in 1955 when he went to work for the Treasurer's Office. During his service to the state, he served 11 years with the Auditor's Office and 26 years in the State Budget Agency – 25 of which as Deputy Budget Director. His record of public service has been recognized with five Sagamores of the Wabash awarded to him by Governors Branigan, Bowen, Orr, Bayh and O'Bannon. In 1994, Mr. Ferrell retired from the State of Indiana and went on to become Controller of Ivy Tech through 1997. In 1995, he was elected as County Commissioner in Boone County and currently sits on the Legislative Study Committee for County Government.

Mr. Ferrell served in the United States Army during the Korean Conflict and was honorably discharged in 1954. He is a graduate of Butler University with a degree in Accounting.

#### EXECUTIVE STAFF

FRED BIESECKER  
Acting Executive Director

DIANN CLIFT  
Director of Information Technology

PATRICIA GERRICK  
Chief Investment Officer

EDWARD GOHMANN  
Fund Counsel

BRUCE KIMERY  
Chief Benefits Officer

PATRICK W. LANE  
Director of Communications

DOUGLAS A. MILLS  
Chief Financial Officer

R. THOMAS PARKER  
Director of 1977 Police Officers' and Firefighters' Fund

KENNETH STOUGHTON  
Director of Human Resources



#### CONNIE THURMAN

Connie Thurman was appointed to the PERF Board of Trustees in September 2002 by Governor Frank O'Bannon. Indiana law mandates that one member of the Board be a member of a collective bargaining unit of state employees represented by a labor organization, or an officer of a local, national, or international labor union that represents state employees.

Ms. Thurman began her employment with the State of Indiana in 1972. In 1993, she was elected Chief Steward and Joint Council Delegate for the United Auto Workers (UAW) Local 9212. She also served on the Local's Women's Committee and Legislative Committee, and was the lobbyist for the Local during the 1997 Session of the Indiana General Assembly. She was elected to two terms as 1<sup>st</sup> Vice President of the Local in 1994 and 1998. In July 1998, she came on staff with the UAW as an International Representative, servicing Locals 9212 and 1963. In November 1999, Ms. Thurman was assigned to the position of Community Action Program (CAP) Representative for UAW Region 3.

#### Search for New Executive Director

At the October meeting of the PERF Board of Trustees, a committee was established to begin the process of hiring a new Executive Director. The deadline for applications was November 25th, and the committee has subsequently met to review the applications received.

It is expected that the committee will make a final recommendation to the full Board at their January meeting, to be approved by the Governor as provided by law.

*Happy New Year !!!*

## PROTECTING YOURSELF AGAINST IDENTITY THEFT

Every day in our lives, we are asked to freely divulge information about ourselves that is personal and critical to our financial well being. Our personal information is one of our most prized possessions and should be protected as such. Identity theft has become incredibly profitable and is one of the fastest growing crimes in our country, impacting more than 500,000 people annually.

Identity thieves use a variety of methods to obtain credit card numbers, Social Security numbers, driver's license numbers, ATM cards, telephone calling cards and other important pieces of personal information that can be used in securing cash or credit for themselves at personal cost to your time and money. There are many schemes out there designed to defraud you of your money and your reputation with creditors.

The Federal Trade Commission (FTC) is the U.S. Government's primary authority on identity theft, how to prevent it and what to do if it happens to you. The FTC has published an excellent resource entitled *ID Theft: When Bad Things Happen to Your Good Name*, which can be viewed at [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft) and discusses in-depth:

- How Identity Theft occurs;
- Minimizing your risk today;
- Choosing when/if to share personal information;
- The first three steps to take if you become a victim;
- Charting a course of action;
- Resolving credit problems;
- Specific problems that can result in identity fraud; and,
- The law.

The information to the right is taken from that publication.

### Take Control of Your Personal Information

Helpful hints for limiting access to your personal information:

- Protect your Social Security Number. Release it only when *absolutely* necessary.
- Have your mail stopped by the post office when leaving town.
- Remove your name from marketing lists when possible.
- Minimize the number of credit card accounts you have open.
- Check your monthly bank and credit card statements for unusual activity, and inform creditors immediately of unauthorized activity.
- Order your credit report once a year from each of the three credit bureaus (Experian, Equifax and Trans Union) to check for inaccuracies and fraudulent use of your accounts. Contact information for the bureaus is included on the opposite side of this page.
- Destroy unwanted credit card offers and other sensitive documents before discarding them. Shredders are relatively inexpensive and prevent criminals from obtaining personal information in your trash.
- Never give out personal information over the phone to someone you don't know – particularly if you did not initiate the call.

### *How Identity Thieves get Your Information*

- They steal wallets and purses containing your identification, credit cards and bank cards.
- They steal your mail, including your bank and credit card statements, pre-approved credit offers, telephone calling cards and tax information.
- They complete a change of address to divert your mail to another location.
- They rummage through your trash for personal data.
- They fraudulently obtain your credit report by posing as your landlord, employer or someone else.
- They get your business or personnel records at work.
- They find personal information in your home.
- They use personal information you share on the Internet.
- They buy personal information from "inside" sources.

### *How Identity Thieves use Your Personal Information*

- They call your credit card issuer and, by pretending to be you, ask to change the mailing address on your credit card account.
- They open a new credit card account, using your name, date of birth and Social Security Number. They use the card, don't pay bills and the delinquent account is reported on your credit report.
- They establish phone or wireless service in your name.
- They open bank accounts in your name and write bad checks on the account.
- They file for bankruptcy under your name to avoid paying debts they've incurred under your name, or to avoid eviction.
- They counterfeit checks or debit cards, and drain your bank account.
- They buy cars by taking out auto loans in your name.

## PROTECTING YOURSELF AGAINST IDENTITY THEFT (*continued*)

### What to do if Identity Theft Happens to You

Identity theft is a traumatic experience in a couple of ways. Obviously the sense of being victimized is bad enough, but the efforts required to resolve the problem can be taxing as well. If you are a victim of identity fraud, there are a few quick steps you can take to minimize the impact and personal cost that can occur from this type of crime.

1. First, report the crime to the police, and be sure to get a copy of the case number or police report. Most creditors will require such information to verify that the crime actually occurred.
2. Immediately close existing credit card accounts and back it up with written documentation of your request to your creditors. It will strengthen your position if a dispute arises.
3. Call the fraud departments of the three credit reporting bureaus. Each bureau offers a "fraud alert" service that will notify them of an attempt to establish new credit lines by an unauthorized party. The system is designed to contact you at a specified phone number when a creditor receives a request to open new accounts.

If identity theft occurs to you, you will soon learn why it is important to minimize the number of credit card accounts you have open at any given time. It is important to keep contact information for your creditors in a safe and accessible location so you can report irregularities, theft or fraud quickly.

New scams are being "cooked up" every day. Identity thieves have more tools than ever to do their work. It is important to be aggressive and cautious in protecting your personal information. It is always best to be conservative with your personal and financial information. If you feel uncomfortable with the direction an unsolicited phone call takes or the information a piece of correspondence might request, that is usually a good sign to be extra careful. Common sense goes a long way to fending off a fraud.

There are many corporate and governmental tools at your disposal to help guard against fraud. We have included a few contact points that go into this issue in much greater detail, outline the latest criminal attempts, and offer many useful tips and services that can protect you and your personal information.

#### Credit Reporting Bureaus

##### **Equifax**

P.O. Box 740241  
Atlanta, GA 30374-0241  
[www.equifax.com/](http://www.equifax.com/)  
*Request Credit Report* 1-800-685-1111  
*Report Fraud* 1-800-525-6285

##### **Experian** (formerly TRW)

P.O. Box 2104  
Allen, TX 75013  
[www.experian.com/consumer/index.html](http://www.experian.com/consumer/index.html)  
*Request Credit Report* 1-888-experian  
*Report Fraud* 1-888-experian

##### **Trans Union**

760 Sproul Road  
P.O. Box 390  
Springfield, PA 19064  
[www.transunion.com/index.jsp](http://www.transunion.com/index.jsp)  
*Request Credit Report* 1-800-916-8800  
*Report Fraud* 1-800-680-7289

#### For more information contact:

Federal Trade Commission (FTC)

[www.ftc.gov](http://www.ftc.gov)  
1-877-FTC-HELP

National Fraud Information Center (NFIC)

[www.fraud.org](http://www.fraud.org)  
1-800-876-7060

Social Security Administration (SSA)

[www.ssa.gov](http://www.ssa.gov)  
1-800-772-1213

U.S. Postal Inspection Service

[www.usps.com/postalinspectors](http://www.usps.com/postalinspectors)